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From:

Sent: Tuesday, June 07, 2011 10:19 AM

To:

Cc:

Subject: RE: RE Call with TP on 165 Abandonment Issue?

Hi

Per our conversation, I've attached TAM 7920002 which states that an abandonment deduction would be allowed if the assets are held for salvage value, not market value. I've also attached an old case that allows an abandonment loss deduction only after the TP has tried to sell the equipment as its salvage value. The equipment in that case, however, is a depreciable asset.

Please let me know if you need further assistance.

Attachments: TAM 7920002

Appeal of Levine Brothers Co. Inc., No. 6832 (Bd Tax App 1926)